Tobacco Surveillance Data Brief:
Cigars and Smokeless Tobacco

A joint effort between the NJ Department of Health and Senior Services, Comprehensive Tobacco Control Program (CTCP) and the UMDNJ-School of Public Health, Tobacco Surveillance and Evaluation Research Program (TSERP)

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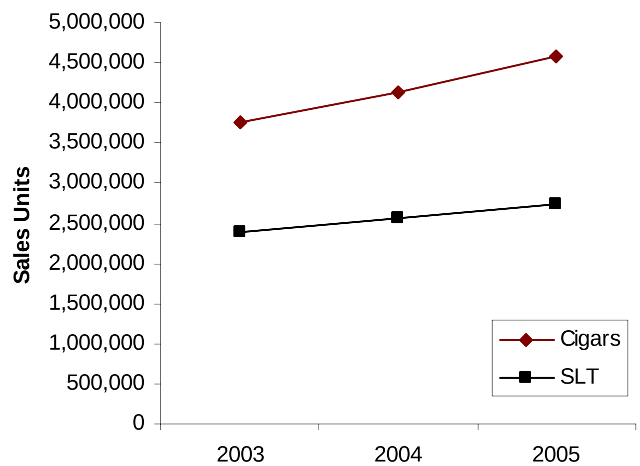
Cigars and Smokeless Tobacco

Although cigarette smoking is the most prevalent type of tobacco consumption, there has been a consistent downward trend in cigarette consumption statewide and nationally over the past several years. Meanwhile, consumption of cigars and smokeless tobacco has been increasing nationwide over the last decade (USDA, 2004). This brief provides the first report of cigar and smokeless tobacco sales and trends in New Jersey. Using data from AC Nielsen, the sales of cigars and smokeless tobacco products between fiscal years 2003 and 2005 were examined.

In New Jersey, the number of cigars and smokeless tobacco products sold has been increasing. In 2005, the number of cigars and smokeless tobacco sold reached 4.6 million and 2.7 million units, respectively (see Figure 1). These figures represent a 21.2% growth in the number of cigars sold and a 13.6% growth in the amount of smokeless tobacco sold since 2003.

Figure 1. Number of cigar and smokeless tobacco units sold in New Jersey by year, 2003-2005



Cigars

Two-thirds of cigars in New Jersey are purchased in gas stations and convenience stores and approximately one-third are sold in drug stores (see Table 1). Although the percentage of cigars sold in drug and food stores declined between 2003 and 2005, the number of cigars sold in convenience stores increased by 19.7% from 2003 to 2005.

Table 1. Percentage of cigars sold in New Jersey by market type, 2003-2005

Market	2003	2004	2005	Total
Convenience/Gas	57.8	62.7	69.2	63.6
Drug	37.1	32.4	26.9	31.8
Supermarket	5.1	4.9	3.8	4.6

Overall, Phillies Blunts are the most popular type and brand of cigars purchased in New Jersey and accounted for 26.1% of the market share in 2005, followed by Black & Milds (17.2%) (See Images 1 and 2). These two brands are also the most popular brands smoked by youth (Soldz, Huyser, & Dorsey, 2003; Giovino, 2005). Other popular brands include Dutch Masters (8.9%), Garcia Y Vega (8.3%), and Hav-a-Tampa (4.9%).

Image 1. Strawberry-flavored Phillies Blunt cigars. These cigars can be purchased as a pack of 5 cigars (approximately $4.29 per pack) or as single cigars (about $.80 each).

Image 2. Black & Mild cigars with tipped cigar filters. This pack of 5 cigars was purchased for $4.29 at a NJ drug store.

The growth of the cigar market appears to be attributable, at least in part, to the new trend in flavored products. While flavored cigars represented 12.4% of all cigars sold in New Jersey in 2003, this proportion almost doubled to 23.2% by 2005. Table 2 represents the percentage of flavored cigars sold per year by market and reflects that flavored cigars are predominantly sold in convenience stores. In fact, the number of flavored cigars sold in convenience stores increased by 24.7% between 2003 and 2005. This may contribute to the overall growth of cigars sold in convenience stores described earlier (see Table 1).

Table 2. Percentage of flavored cigars sold in New Jersey by market type, 2003-2005

Market	2003	2004	2005	Total
Convenience/Gas	66.4	79.7	82.8	78.5
Drug	32.0	18.9	16.4	20.4
Supermarket	1.6	1.4	0.8	1.2

In 2005, the most popular flavors of cigars were Strawberry (36% of flavored cigars sold), Honey (10%), Peach (9%), and Cherry (6%) (See Image 1).

In 2005, 11.8% of all cigars sold were "little" or small cigars. These little cigars look like cigarettes and are similarly packaged as cigarettes in packs of 20 (see Images 3 and 4). However, the average unit price for a pack of little cigars is considerably less expensive ($2.20) than that of cigarettes ($5.62 per pack in 2005, Orzechowski & Walker, 2005). Finally, approximately 18.6% of the cigars sold in 2005 were listed as "blunt" cigars (see Image 1). Blunt cigars are known to be used by some for the purposes of smoking marijuana by replacing some or all of the cigar's filler with marijuana.

Image 3. Comparison of physical appearance of a little cigar (top) with a regular cigarette (middle) and a large cigar (bottom).

Photo Credit: National Association Of Attorneys General

Image 4. Winchester menthol little cigars (left), Phillies little cigars (center), and Captain Black little cigars (right)

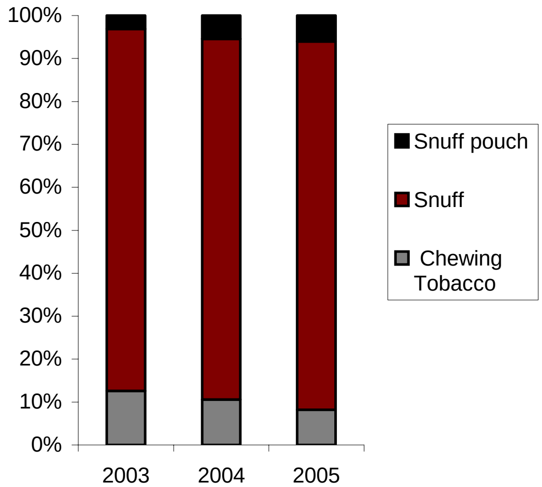
Smokeless Tobacco

Smokeless tobacco (SLT) is largely sold in two forms: 1) chewing tobacco and 2) snuff. Chewing/chew tobacco is coarsely ground tobacco mixed with sugars and molasses and is usually packaged in a pouch that is placed between the cheek and gum. Snuff is a more finely ground tobacco often flavored with mint, wintergreen, menthol, or other flavoring. The vast majority of snuff is a moist tobacco, referred to as "moist snuff." Snuff pouches (see Image 5) are a relatively new modified form of moist snuff packaged in small pieces to control the need for spitting. Although snuff is available in a dry form, its market share is negligible and therefore will not be discussed here.

Image 5. Vanilla flavored Skoal moist snuff (left) and Wintergreen flavored Skoal snuff pouches (right)

Chewing tobacco makes up a very small proportion of the smokeless tobacco market in New Jersey and its share has declined over the last three years (see Figure 2). In 2005, chew tobacco represented only 8.2% of the SLT market, while moist snuff dominated with 85.8% of the market share. The percentage of smokeless tobacco sold in the form of snuff pouches increased from 3.1% in 2003 to 6% in 2005.

Figure 2. Market share of different types of smokeless tobacco sold in New Jersey by year, 2003-2005



The most popular brands of snuff include Skoal and Copenhagen, both produced by United States Smokeless Tobacco. Together these two brands accounted for about three-quarters of snuff products sold in 2005.

Like cigars, smokeless tobacco sales have consistently been based in the convenience store market (see Table 3).

Table 3. Percentage of smokeless tobacco sales in New Jersey by market type, 2003-2005

Market	2003	2004	2005	Total
Convenience/Gas	95.5	95.2	95.2	95.3
Drug	3.1	3.8	4.2	3.7
Supermarket	1.4	1.0	0.6	1.0

Although the overall market share of chew tobacco is low as mentioned earlier, chew tobacco is more often sold in drug stores and supermarkets, the markets with the overall lowest percentage of smokeless tobacco sales. Approximately 56% of all smokeless tobacco sold in drug stores and 38.2% of smokeless tobacco sold in supermarkets between 2003 and 2005 was chew tobacco. In contrast, the vast majority of smokeless tobacco sold in convenience stores, the market where most smokeless tobacco products are sold, were snuff products (87% of all smokeless tobacco sold). These differences may be a result of varying availability of the different smokeless tobacco types by market or may reflect the purchasing preferences of different types of SLT users.

Flavored products in the smokeless tobacco market are even more popular than flavored products in the cigar market. Flavored SLT products accounted for nearly two-thirds (62.1%) of all smokeless tobacco sold in each year between 2003 and 2005. Similarly to flavored cigar sales, convenience stores are the predominant sellers of flavored smokeless tobacco, accounting for 96.8% of flavored smokeless tobacco sold in 2005 (see Table 4).

Table 4. Percentage of flavored smokeless tobacco sales in New Jersey by market type, 2003-2005

Market	2003	2004	2005	Total
Convenience/Gas	98.3	97.3	96.8	97.4
Drug	0.8	1.9	2.8	1.9
Supermarket	0.9	0.9	0.4	0.7

Figure 3 lists the percentages of different flavors of smokeless tobacco sold in 2005. Wintergreen has consistently been the most popular flavor, although newer flavors, such as apple (see Image 6), have seen significant increases in growth since 2003 and 2004.

Figure 3. Most popular smokeless tobacco flavors sold in New Jersey, 2005

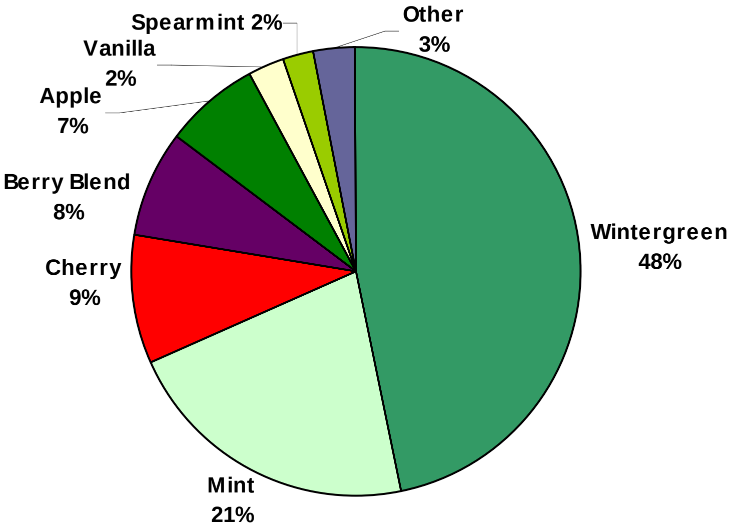


Image 6. Can of Skoal apple-flavored moist snuff

Conclusions and Implications

This report provides a first look at the sales and trends of cigars and smokeless tobacco in New Jersey and finds that the consumption of these products is growing. The low cost of these products compared to the cost of cigarettes in New Jersey raises concerns about their potential for encouraging product switching or delaying tobacco cessation. This concern is underscored by the availability of products such as "little cigars" which look like and are packaged like cigarettes, but can be purchased at approximately half the price, especially enticing to cost sensitive persons such as youth. Furthermore, such products are most frequently bought and sold in convenience stores and gas stations, outlets where youth are known to frequent and to purchase their tobacco.

While recent tobacco control research and legislation have addressed the availability and marketing of flavored cigarettes, little attention has been paid to flavored cigars and smokeless tobacco. Yet almost a quarter of all cigars and almost two-thirds of all smokeless tobacco sold in 2005 were flavored. In fact, these flavored products appear to be contributing to the overall growth in cigar and smokeless tobacco sales.

There is also concern that the tobacco industry will explicitly promote smokeless tobacco products as an alternative to quitting to those living in locations with strong clean indoor air laws like New Jersey. Indeed, recent advertising for Skoal products frame smokeless tobacco as a way to enjoy tobacco in places where smoking is not allowed. Furthermore, the availability of smokeless tobacco in a pouch form, which eliminates the need for traditional spitting, provides what may be perceived as a more acceptable form of smokeless tobacco, especially for use indoors. In fact, the nation's largest cigarette makers will soon make their debut in the smokeless tobacco market. By May 2006, both RJ Reynolds and Philip Morris USA had announced plans to test-market smokeless, spit-free tobacco products in several cities (see Image 7). Continued monitoring of cigar and smokeless tobacco consumption is essential.

Image 7. Test-market samples of new Camel Snus.

References

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Orzechowski W, Walker RC. (2005). The tax burden on tobacco: historical compilation 2005, Volume 40. Arlington, VA: Orzechowski & Walter.

More information:

The data in this brief were obtained from AC Nielsen's Scantrack information system, which collects point-of-sale data based on the scanning of item UPC codes. AC Nielsen receives information weekly on a category basis from a sample of stores for each type of outlet. Outlets include: Supermarkets (with sales that gross over 2 million dollars, accounting for 96% of food stores in the US), drug stores (with sales that gross over 1 million dollars, accounting for 95% of drug stores in the US) and convenience stores (100% of convenience stores as defined by the National Association of Convenience Stores). Data for NJ were obtained for the fiscal years 2003, 2004, and 2005 and were weighted by the number of cigar and smokeless tobacco units sold. For more information about AC Nielsen Scantrack, visit their website at: http://www.acnielsen.com/products/reports/scantrack/instoreconditions.

For more information on the data reported in this brief, contact the New Jersey Department of Health and Senior Services at 609-292-4414, or visit their website at: http://www.state.nj.us/health/as/ctcp.

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